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WORLD PORK OUTPUT IN 1976 MAY NOT REACH 1975 LEVEL

Despite an expected expansion in hog numbers during 1976 in 13 major pork producing countries—the United States, Canada, Japan, the European Community (EC) countries, and the Soviet Union—aggregate pork production will probably not reach the levels of 1975. Total breeding stock in the 13 countries at the beginning of 1976 was about 25.2 million head, up 6 percent from levels at the beginning of 1975, but still 2 percent below those prevailing at the beginning of 1974. An estimate of the 1976 pig crop for the 13 countries places it at about 290 million head, 8 percent above the 1975 level, but 2 percent below that of 1974. Projections for the beginning of 1977 indicate that total hog numbers in the 13 countries at about 204 million head will be 7 percent above the totals at the beginning of 1976, but 3 percent below beginning 1975 levels.

Although indications point to an expansion in hog numbers in 1976, pork production in the 13 countries may not match the levels of 1975 because of a possible 23 percent decline in the USSR's slaughter level. If the USSR is excluded from projection for the total, the remaining 12 countries will probably increase their slaughter by about 2 percent to 195-200 million head. This total still would be 7 percent below 1974's slaughter level of 211.8 million head for the same 12 countries. The resulting pork production for these countries will also rebound by about 2 percent (to 14.6 million tons[1]) over 1975's production, but remain 7 percent below 1974's production level.

UNITED STATES

Economic uncertainty and the cost-price squeeze forced U.S. hog producers to reduce inventories in 1975 to the lowest level in 14 years. Total hog numbers on December 1, 1975, were 49.6 million, down 10 percent from the December 1, 1974, level. The number of sows farrowed in 1975 was 9.9 million, down 16 percent from the year-earlier total, and the resulting pig crop for the year was 71.3 million, down 15 percent from the total pig crop of 1974. As a result, the number of hogs slaughtered in 1975 was down 16 percent from the slaughter level of 1974 to 69.6 million head. Because of lighter slaughter weights, the decline in pork production (to 5,128,000 tons) was 18 percent.

Higher market prices for hogs and lower feed prices during the last quarter of 1975 resulted in an 8 percent increase in spring farrowing intentions. Consequently, in 1976 the number of sows farrowed should approximate 11.2 million head for an annual pig crop of 80.2 million. Total slaughter in 1976 should reach 70 million head, up less than 1 percent from 1975's slaughter level but 16 percent short of 1974's. Because of somewhat heavier slaughter weights in 1976, pork production should rise by 2 percent to about 5,200,000 tons.

CANADA

The fortunes of Canadian hog producers have paralleled those of U.S. hog producers, and current Canadian situation practically mirrors the U.S. situation. Because farrowings were down 6 percent in the fourth quarter of 1975, hog slaughter will likely remain down throughout the first half of 1976. However, better prices and lower feed costs during the fourth quarter of 1975 will result in a larger number of breeding stock in 1976. In 1976 there will be about 1.2 million head of sows farrowed, up 13 percent from the 1975 levels. The resulting pig crop in 1976 will be approximately 9.6 million head, also up 13 percent. Hog slaughter in 1976 should exceed that of 1975 by 1-2 percent to a level of 9.2 million head for a pork production level of 540,000 tons, up 1.3 percent. Production levels in 1976, however, will remain below those of 1974.

JAPAN

One of the first countries to recover from the worldwide recession of 1974/75, Japan's economy was up slightly in 1975 over its 1974 record, although unemployment and savings remained high. Sow numbers in November 1975 were up in response to lower feed costs and higher pork prices. Brood sow and farrowing intentions indicate pork production will increase in 1976. The number of 1-to-3 month-old pigs indicates that herd expansion has started.

Pig numbers at the beginning of 1976 were up 1.5 percent from the total at the beginning of 1975 to 7.8 million head. Breeding stock will approximate 960,000 head, up 5 percent from the 1975 level. The annual pig crop will be about 15.8 million head, a gain of 6 percent from that of 1975. Japanese hog slaughter in 1976 will rise 3 percent to 15 million head to obtain a pork production level of 945,000 tons, a gain of 4 percent because of heavier slaughter weights. Production levels still will fall short of those of 1974.

[1] All tons are metric.

EC COUNTRIES:

BELGIUM-LUXEMBOURG

Increasing returns to hog producers and strengthening market prices will likely bring the decline in Belgium-Luxembourg hog numbers to a halt and should cause an upturn. Hog numbers at the beginning of 1976 registered 4.73 million, down slightly from those of a year earlier. At 616,000 head, breeding stock numbers were up 1 percent. The annual pig crop for 1976 could rise 6 percent to about 9.2 million head because of a probable increase in pigs saved. Part of the expansion in the pig crop will probably be channeled into an increase in 1977 inventory numbers, as both slaughter and pork production in 1976 are expected to rise by only 4 percent to 7,800,000 head, and 625,000 tons. Pork production in 1976 will remain below levels of 1974.

DENMARK

The recession deepened for Denmark in 1975, causing Danish agricultural production to decline by 4 percent. Average producer prices in the agricultural sector increased by only 2 percent in 1974/75, compared to 17 percent in 1973/74. Low margins to the pork producer in early 1975 were improving toward the end of the year, and farmer pessimism eased as a result of higher profits, prompting a climb in breeding stock numbers at the end of the year.

At the beginning of 1976 Danish pig numbers were 7.9 million head, down 2 percent from the total at the beginning of 1975. But breeding stock numbers were up by 3 percent to 910,000 head, and the annual pig crop in 1976 should rise about 4 percent to 11.8 million head. Danish hog slaughter is expected to decline to 10.5 million head, down 2 percent from the year-earlier level. However, pork production may decline by only 1 percent as heavier weights may hold production to 730,000 tons. The increased pig crop is expected to boost inventory numbers.

FRANCE

In 1975 the French economy declined by 3 percent in real terms. The drop disappointed French farmers (who experienced a 15 percent fall in farm income in 1974) because of the resulting sluggishness in consumer demand. However, 1975 did not prove to be as bad as 1974 for pork producers, and production and consumption are now trending upward. It appears the French economy has turned the corner and will expand by about 4 percent in 1976. In this context, French farmers are expected to expand production strongly in 1976.

At the beginning of 1976, French hogs numbered 12.2 million head, up 1 percent from the total at the beginning of 1975. Breeding stock rose less than 1 percent to 1.41 million head. The annual pig crop in 1976 will be about 19.1 million head, up 7 percent because of a probable increase in pigs saved. Slaughter at 11.9 million head and pork production at 1.43 million tons should both gain by 2 percent.

WEST GERMANY

Most forecasts for West Germany show that 1976 will prove to be a year of economic recovery with a slowing of inflation. There are indications of some acceleration in domestic demand; however, the duration and strength of the upturn is uncertain. Farm income is forecast to increase by 5-6 percent in 1976.

West German hog numbers were about 19.9 million at the beginning of 1976, down 2 percent from the total at the beginning of 1975. Breeding stock, up about 2 percent, numbered 2.2 million head. The annual pig crop should increase by about 1 percent to 33.75 million head. Annual slaughter is expected to gain only slightly in 1976 to 32.7 million head, with pork production (at 2.46 million tons) almost equal to that of 1975.

IRELAND

As with the rest of the world, 1975 proved to be a difficult year, economically, for Ireland. The world recession led to high unemployment and real growth declined by 3.8 percent. Unlike most countries, the rate of inflation increased—from 17 percent in 1974 to 22 percent in 1975.

The beginning of 1975 presented a gloomy outlook for agriculture. However, by the end of the year farmers' confidence had returned as farm income recovered during the year and rose to a level 34 percent higher than that of 1974. The farm outlook at this time is generally more encouraging than for the same time in 1975.

The recovery during 1975 brought hog producer prices up 23 percent. Although hogs are now profitable, pork prices are expected to increase at a slower rate. There were 880,000 hogs in Ireland at the beginning of 1976, up 10.6 percent from the total at the beginning of 1975. The August 1975 census indicated that breeding stock had already increased by 17 percent, and as of the beginning of 1976 the number stood at 111,000 head, a gain of 25 percent.

The Irish pig crop will advance about 14 percent in 1976 to 2.2 million head. Slaughter will climb by 13.8 percent to about 2 million head, while pork production will increase by 20 percent to 134,000 tons because of heavier slaughter weights.

ITALY

In 1975, the first postwar decline of real gross national product occurred for Italy. The country's agricultural sector posted the only gain in the economy, with production up 2 percent. Italian pork production increased by 6 percent during the year and domestic pork consumption mounted because of higher beef prices. Bigger consumption coupled with lower supplies from traditional (EC) import sources caused pork prices to rise. The hog market was expected to remain steady until spring, when greater supplies of market hogs were to become available because of already increased breeding levels.

The beginning of 1976 brought a 2 percent gain in total hog numbers to 8.95 million head. Breeding stock expanded by 1 percent to 850,000 head. The 1976 pig crop will grow

about 5 percent to 8.5 million head through an increase in pigs saved. Italian slaughter in 1976 will rise 2 percent to nearly 8 million head, resulting in pork production of about 800,000 tons, up 4 percent.

THE NETHERLANDS

The international recession strongly affected the Netherlands economy in 1975. Nevertheless, the agricultural sector had a favorable year, and agricultural production mounted by 10 percent during 1975. Pork production remained about the same as that of 1974, although pork prices moved up about 12 percent. The outlook for the agricultural sector is seen as favorable, especially during the first half of 1976. Increased pork production is expected to cause lower pork prices in the last half of the year.

There were 7.3 million head of hogs in the Netherlands at the beginning of 1976, up 2 percent from the total at the beginning of 1975. Breeding stock had increased by 5 percent to 950,000 head. The annual pig crop will gain about 6 percent to 13 million head. Slaughter will climb by about 5 percent to 11 million head, with pork production reaching 860,000 tons, up 4 percent.

UNITED KINGDOM

The United Kingdom also faced a difficult year in 1975. In addition to inflation, recession, and a decline in the value of the pound, workers' pay scales were frozen. Although agricultural production rose 4 percent during 1975, agricultural returns did not match higher costs. The demand for red meat sank in 1975. However, profits to hog farmers were above 1974 levels because of the reduction in pig numbers between 1974 and 1975 and lower pork production in 1975. An upturn in the pig cycle was signaled and gilt numbers are expanding in response to greater returns. Production of pork may continue low in the first half of 1976, but is expected to accelerate in the last half.

At the beginning of 1976, U.K. pig numbers were down by 2 percent to 7.7 million head, but breeding stock totaled about 1.05 million head, up 6 percent. The annual pig crop will gain about 9 percent to 14.7 million head through a greater ratio of pigs saved. Slaughter will rise by about 5 percent to 13.5 million head, while pork production will expand by 6 percent to 895,000 tons because of heavier slaughter weights.

USSR

The single major factor affecting the economy of the USSR during 1975 was the grain crop shortfall, which forced slaughter of pigs and boosted pork production in 1975 to 4.2 million tons, 9 percent above 1974's production. Past history and recent reports of domestic pork supplies suggest that the USSR may have exported much of its increased pork production. Net pork exports of approximately 140,000 tons for 1975 may have resulted.

Because of this slaughter, the beginning of 1976 found Soviet hog numbers down 20 percent to 57.8 million head. The number of breeding stock at the beginning of the year should have been approximately 3.8 million, a decline of 5 percent from the year-earlier level.

If the pattern of past distress slaughterings is followed, the USSR will attempt to strengthen hog numbers as quickly as possible. The annual pig crop in 1976 may increase by about 10 percent above the 1975 level to 72.4 million head, largely through greater number of pigs saved. Slaughter in 1976 may decline by 23 percent from the level of 1975 to 57.6 million head. Lower slaughter weights could bring the pork production 24 percent below the level of 1975 to 3.2 million tons.

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TABLE I
PIG NUMBERS FOR 13 COUNTRIES
(In thousands of head)

Country	Pig Numbers 1/				Breeding Stock 2/			Annual Pig Crop 3/		
	1974	1975	1976 4/	1977 5/	1974	1975 4/	1976 5/	1974	1975 4/	1976 5/
U.S.	61,106	55,062	49,602	53,100	11,838	9,928	11,165	83,955	71,306	80,200
Canada	6,991	5,865	5,727	5,800	1,212	1,058	1,200	9,698	8,464	9,600
Japan	8,018	7,684	7,800	7,800	1,009	911	960	16,100	14,950	15,780
EC										
Belgium-Luxembourg	4,811	4,761	4,734	4,760	628	610	616	9,310	8,690	9,200
Denmark	8,242	8,098	7,900	8,295	915	886	910	11,460	11,390	11,800
France	11,461	12,034	12,200	12,740	1,296	1,403	1,410	17,920	17,810	19,090
West Germany	20,452	20,234	19,865	19,800	2,136	2,160	2,200	32,690	33,510	33,750
Ireland	1,035	796	880	1,010	118	89	111	1,720	1,940	2,220
Italy	8,201	8,814	8,947	9,360	710	841	850	8,440	8,030	8,500
Netherlands	6,914	7,143	7,300	7,650	887	903	950	12,300	12,250	13,000
U.K.	9,267	7,870	7,700	8,000	992	990	1,050	14,760	13,400	14,650
Total EC	70,383	69,750	69,526	71,615	7,682	7,882	8,097	108,600	107,020	112,210
12 countries	146,498	138,361	132,655	138,315	21,741	19,779	21,422	218,353	201,740	217,790
USSR	70,000	72,300	57,800	66,000	4,030	4,020	3,800	76,400	65,700	72,400
13 countries	216,498	210,661	190,455	204,315	25,771	23,799	25,222	294,753	267,440	290,190

TABLE II
SLAUGHTER, PORK PRODUCTION, AND NET TRADE
FOR 13 COUNTRIES

Country	Slaughter (1,000 hd)			Pork 6/ Production (1,000 MT)			Pork Trade Net 7/ Exports (Net 8/ Imports) (1,000 MT)	
	1974	1975 4/	1976 5/	1974	1975 4/	1976 5/	1974	1975 4/
U.S.	83,085	69,594	70,100	6,262	5,128	5,220	(124.3) 8/	(2.2) 8/
Canada	10,289	9,075	9,200	611	533	540	5.4	(10.0)
Japan	15,711	14,500	15,000	958	905	945	(60.2)	(125.0)
EC								
Belgium-Luxembourg	7,895	7,512	7,800	629	600	625	230.8	175.5
Denmark	10,740	10,700	10,540	744	740	730	506.9	495.3
France	16,980	17,487	17,920	1,374	1,405	1,430	(180.3)	(183.0)
West Germany	31,768	32,700	32,740	2,396	2,454	2,460	(293.1)	(301.8)
Ireland	1,970	1,755	2,000	133	112	134	34.8	12.8
Italy	7,625	7,700	7,880	729	770	799	(200.7)	(231.8)
Netherlands	10,479	10,500	11,000	822	823	860	431.3	436.9
U.K.	15,276	12,800	13,500	1,019	842	895	(472.5)	(493.0)
Total EC	102,733	101,154	103,380	7,846	7,746	7,933	57.2	(89.1)
12 countries	211,818	194,323	197,680	15,677	14,312	14,638	(121.9)	(226.3)
USSR	66,861	74,391	57,600	3,877	4,218	3,225	12.7	140.0
13 countries	278,679	268,714	255,280	19,554	18,530	17,863	(109.2)	(86.3)

TABLE III
NET TRADE POSITION OF 13 COUNTRIES
NET EXPORTS/(NET IMPORTS) 7/
(In thousands of metric tons)

Country	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975 4/
U.S.	(58.9)	(125.9)	(146.3)	(151.5)	(146.4)	(115.7)	(123.4)	(124.7)	(129.7)	(110.7)	(124.3)	(2.2)
Canada	2.1	9.9	4.0	11.7	5.3	(11.1)	(16.7)	32.1	31.3	32.0	5.4	(10.0)
Japan	(4.4)	0	0	0	(10.6)	(47.0)	(18.9)	(29.9)	(76.1)	(152.5)	(60.2)	(125.0)
EC	(70.1)	4.7	(76.9)	(78.2)	(32.1)	(45.8)	37.5	105.6	(21.9)	83.8	57.2	(89.1)
Total 12	(131.3)	(111.3)	(219.2)	(218.0)	(183.8)	(219.6)	(88.1)	(16.9)	(196.4)	(147.4)	(121.9)	(226.3)
USSR	(26.3)	(186.7)	60.0	112.5	54.0	12.0	11.6	9.4	2.1	(14.3)	12.7	140.00
Total 13	(157.6)	(298.0)	(159.2)	(105.5)	(129.8)	(207.6)	(76.5)	(7.5)	(194.3)	(161.7)	(109.2)	(86.28)

1/ Approximates 1st of year census as closely as possible. 2/ Sows and gilts farrowed in U.S. and Canada; sows and gilts for breeding in other countries. 3/ Actual pigs saved in Canada; actual pigs born in U.S.; estimation of pigs saved in other countries. 4/ Preliminary data. 5/ Projections. 6/ Adjusted to exclude offal and fat. 7/ The difference between imports and exports. 8/ Derived as the difference between imports and figures published as net exports and shipments.